2007 Regular Legislative Session FISCAL ANALYSIS OF PROPOSED LEGISLATION Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 145 STATUS: A-Engrossed SUBJECT: Health Professionals Supervisory Council Diversion Program GOVERNMENT UNIT AFFECTED: Board of Medical Examiners

PREPARED BY: John F. Borden **REVIEWED BY:** Deborah Manthe

DATE: February 6, 2007

	<u>2007-2009</u>		<u>2009-2011</u>	
EXPENDITURES:				
Personal Services – Other Funds	\$	36,046	\$ 36,046	
Services and Supplies – Other Funds	\$	197,808	\$ 281,648	
	\$	233,854	\$ 317,694	
POSITIONS / FTE:				
		0/0.00	0/0.00	

EFFECTIVE DATE: January 1, 2008

GOVERNOR'S BUDGET: This bill is anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The measure re-names the Diversion Program Supervisory Council to the Health Professionals Program Supervisory Council (HPPSC) and increases the Council membership from five to seven members. The measure also expands the HPPSC program to include licensees who have a mental disorder. Under current law, this program provides services to only those healthcare licensees with a chemically dependency.

The Board of Medical Examiners (BME) estimates that the expanded program will have a voluntary enrollment of 20 licensees per biennium with a qualified mental condition. HPPSC would employ psychiatric consultants to undertake an initial two-hour intervention assessment followed by three years of ongoing monitoring. Monitoring would include 12 sessions the first year, eight sessions the second, then six session in third and final year. Each individual session would be one a half hours in length. Travel time of the consultant would be in addition to each session.

To coordinate the mental disorder portion of the program, BME states the existing program manger, which is permanent full-time Program Coordinator 1 position would need to be reclassified upward to a Psychiatric Social Worker at a cost of \$5,899 Other Funds. The majority of the costs, however, would be for contract medical consultants at an hourly rate of \$125 who would conduct the initial interventions and then ongoing monitoring of enrolled licensees. This cost is estimated at \$78,000 Other Funds for 18 months of the 2007-09 biennium and \$122,400 Other Funds for 24 months of the 2009-11 biennium. BME's medical examiner would also incur travel costs to meet with program participants. This cost is estimated at \$3,560 Other Funds for the 2007-09 biennium and \$3,560 Other Funds for the 2009-11 biennium.

BME also estimates \$50,000 Other Fund expenditures for an independent program evaluation of the entire HPPSC diversion program, which would each biennium. The Legislative Fiscal Office (LFO) questions whether this is a reasonable assumption and why it is a reoccurring expenditure rather than a one-time expense.

In addition, BME estimates that it will investigate two to three cases each biennium related to licensees with mental disorder who have chosen not to enrolled in the program. It assumes each of these cases would result in a disciplinary action. A disciplined licensee would likely contest the action in at least one-half of all cases. The cost of contested hearings is estimated at \$40,000 for the 2007-09 biennium and \$80,000 for the 2009-11 biennium. This expense includes representation costs charged by the Attorney General. BME states that existing investigative staff will be able to absorb these new duties and that no new staff is required. However, there would be additional Attorney General expenses in support of staff investigations and disciplinary actions of \$512 Other Funds for the 2007-09 biennium and \$768 for the 2009-11 biennium.

The last major category of expense is that associated with the Council. The expanded Council would have increased per diem, travel, meeting, and legal expenses. These expenses total \$55,883 Other Funds for the 2007-09 biennium and \$55,067 for the 2009-11 biennium.

The cumulative fiscal impact of this measure would be \$233,854 Other Funds for the 2007-09 biennium and \$317,694 Other Funds for the 2009-11 biennium.

The revenue for these expenditures would come from the BME ending Other Funds balance and would not come from a fee increase. LFO believes that this assumption may change depending upon program enrollment.